By:

H.B. No. 2999

## A BILL TO BE ENTITLED

1 AN ACT

relating to the authority of chiropractors to form certain business entities with certain other professionals.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections C and D, Article 2.01, Texas Non-Profit
Corporation Act (Article 1396-2.01, Vernon's Texas Civil
Statutes), are amended to read as follows:

- C. Doctors of medicine and osteopathy licensed by the Texas State Board of Medical Examiners, [and] podiatrists licensed by the Texas State Board of Podiatric Medical Examiners, and chiropractors licensed by the Texas Board of Chiropractic Examiners may organize a non-profit corporation under this Act that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within the scope of practice of those practitioners and consists of:
- (1) carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field;
- 19 (2) supporting medical education in medical schools 20 through grants or scholarships;
- (3) developing the capabilities of individuals or institutions studying, teaching, or practicing medicine, including podiatric medicine;
  - (4) delivering health care to the public; or

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- 1 (5) instructing the public regarding medical science, 2 public health, hygiene, or a related matter.
- D. When doctors of medicine, osteopathy, [and] podiatry, 3 and chiropractic organize a non-profit corporation that is jointly 4 owned by those practitioners, the authority of each of the 5 practitioners is limited by the scope of practice of the respective 6 practitioners and none can exercise control over the other's 7 clinical authority granted by their respective licenses, either 8 through agreements, articles of incorporation, bylaws, directives, 9 financial incentives, or other arrangements that would assert 10 control over treatment decisions made by the practitioner. 11 Texas State Board of Medical Examiners $_{m{L}}$   $[rac{ extsf{and}}{ extsf{and}}]$  the Texas State Board 12 of Podiatric Medical Examiners, and the Texas Board of Chiropractic 13 Examiners continue to exercise regulatory authority over their 14 respective licenses. 15
- SECTION 2. Section 2(B), Texas Professional Association Act
  (Article 1528f, Vernon's Texas Civil Statutes), is amended to read
  as follows:
- 19 (B) Licenses. (1) Except as provided by this subsection, 20 all members of the association shall be licensed to perform the type 21 of professional service for which the association is formed.
  - (2) Doctors of medicine and osteopathy licensed by the Texas State Board of Medical Examiners, [and] podiatrists licensed by the Texas State Board of Podiatric Medical Examiners, and chiropractors licensed by the Texas Board of Chiropractic Examiners may form an association that is jointly owned by those practitioners to perform a professional service that falls within

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- 1 the scope of practice of those practitioners.
- 2 (3) Professionals, other than physicians, engaged in
- 3 related mental health fields such as psychology, clinical social
- 4 work, licensed professional counseling, and licensed marriage and
- 5 family therapy may form an association that is jointly owned by
- 6 those practitioners to perform professional services that fall
- 7 within the scope of practice of those practitioners.
- 8 (4) When doctors of medicine, osteopathy, [and]
- 9 podiatry, and chiropractic, or mental health professionals form an
- 10 association that is jointly owned by those practitioners, the
- 11 authority of each of the practitioners is limited by the scope of
- 12 practice of the respective practitioners and none can exercise
- 13 control over the other's clinical authority granted by their
- 14 respective licenses, either through agreements, bylaws,
- 15 directives, financial incentives, or other arrangements that would
- 16 assert control over treatment decisions made by the practitioner.
- 17 The state agencies exercising regulatory control over professions
- 18 to which this subdivision applies continue to exercise regulatory
- 19 authority over their respective licenses.
- SECTION 3. Section A(3), Article 11.01, Texas Limited
- 21 Liability Company Act (Article 1528n, Vernon's Texas Civil
- 22 Statutes), is amended to read as follows:
- 23 (3) Doctors of medicine and osteopathy licensed by the
- 24 Texas State Board of Medical Examiners, [and] podiatrists licensed
- 25 by the Texas State Board of Podiatric Medical Examiners, and
- 26 chiropractors licensed by the Texas Board of Chiropractic Examiners
- 27 may organize a professional limited liability company that is

jointly owned by those practitioners to perform a professional 1 service that falls within the scope of practice of 2 When doctors of medicine, osteopathy, 3 practitioners. podiatry, and chiropractic organize a professional limited 4 liability company that is jointly owned by those practitioners, the 5 authority of each of the practitioners is limited by the scope of 6 practice of the respective practitioners and none can exercise 7 control over the other's clinical authority granted by their 8 respective licenses, either through agreements, bylaws, 9 directives, financial incentives, or other arrangements that would 10 assert control over treatment decisions made by the practitioner. 11 The Texas State Board of Medical Examiners, [and] the Texas State 12 Board of Podiatric Medical Examiners, and the Texas Board of 13 Chiropractic Examiners continue to exercise regulatory authority 14 over their respective licenses. 15

SECTION 4. Section 2.02(e), Texas Revised Partnership Act
(Article 6132b-2.02, Vernon's Texas Civil Statutes), is amended to
read as follows:

(e) Authority of Doctors of Medicine, [and] Osteopathy, and Chiropractic, and Podiatrists to Create Partnership. Doctors of medicine and osteopathy licensed by the Texas State Board of Medical Examiners, [and] podiatrists licensed by the Texas State Board of Podiatric Medical Examiners, and chiropractors licensed by the Texas Board of Chiropractic Examiners may create a partnership that is jointly owned by those practitioners to perform a professional service that falls within the scope of practice of those practitioners. When doctors of medicine, osteopathy, [and]

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podiatry, and chiropractic create a partnership that is jointly 1 owned by those practitioners, the authority of each of the practitioners is limited by the scope of practice of the respective 3 practitioners and none can exercise control over the other's 4 clinical authority granted by their respective licenses, either through agreements, bylaws, directives, financial incentives, or 6 other arrangements that would assert control over treatment 7 decisions made by the practitioner. The Texas State Board of 8 Medical Examiners, [and] the Texas State Board of Podiatric Medical 9 Examiners, and the Texas Board of Chiropractic Examiners continue 10 to exercise regulatory authority over their respective licenses. 11 SECTION 5. This Act takes effect September 1, 2003. 12

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## 78TH LEGISLATURE

## **COAUTHOR AUTHORIZATION**

(please request your coauthors to sign this form in lieu of the front or the back of the original bill)

Bill or Resolution Number:

Jaime Capelo

MAR 1 4 2003

| signature of promary seth   |               | printed name of primar            | y author     | Date                        |               |
|-----------------------------|---------------|-----------------------------------|--------------|-----------------------------|---------------|
| PERMISSION TO SIGN _        | HB 29°        | THIS DEED! CI . LEI               | TO (check    | only one of the following): |               |
| ALL REPRESEN                | TATIVES       |                                   |              |                             |               |
| THE FOLLOWIN                | G REPRESEN    | TATIVE(S):                        |              |                             |               |
|                             |               |                                   |              |                             |               |
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|                             |               |                                   | _            |                             |               |
|                             | <u></u>       |                                   |              |                             |               |
| I authorize the Chief Clerk | to include my | name as a coauthor of the legisla | ation indica | ated above:                 |               |
|                             |               |                                   |              |                             |               |
| A2115 Allen                 | Date          | A2450 Cook, Byron                 | Date         | A2795 Farabee               | Date          |
|                             |               |                                   |              |                             |               |
| A2125 Alonzo                | Date          | A2565 Cook, Robert "Robby"        | Date         | A2810 Farrar                | Date          |
|                             |               |                                   |              |                             |               |
| A2160 Bailey                | Date          | A2595 Corte                       | Date         | A2840 Flores                | Date          |
|                             |               |                                   |              |                             |               |
| A2170 Baxter                | Date          | A2605 Crabb                       | Date         | A2850 Flynn                 | Date          |
|                             |               |                                   |              |                             |               |
| A2205 Berman                | Date          | A2610 Craddick                    | Date         | A2920 Gallego               | Date          |
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| A2230 Bohac                 | Date          | A2640 Crownover                   | Date         | A2925 Garza                 | Date          |
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| A2250 Bonnen                | Date          | A2620 Davis, John                 | Date         | A2960 Gattis                | Date          |
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| A2280 Branch                | Date          | A2625 Davis, Yvonnc               | Date         | A2945 Geren                 | Date          |
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| A2265 Brown, Betty          | Date          | A2635 Dawson                      | Date         | A2935 Giddings              | Date          |
|                             |               |                                   |              | 10005 G-1                   | Date          |
| A2270 Brown, Fred           | Date          | A2680 Delisi                      | Date         | A2985 Goodman               | Date          |
| LOOSE D                     |               | 12205 D                           | Date         | A2990 Goolsby               | Date          |
| A2255 Burnam                | Date          | A3385 Denny                       | Date         | A2330 Goolsby               | Date          |
| A2295 Callegari             | Date          | A2690 Deshotel                    | Date         | A3010 Griggs                | Date          |
| A2273 Canegari              | Date          | A2070 Desirates                   | 2            |                             |               |
| A2290 Campbell              | Date          | A2705 Driver                      | Date         | A3020 Grusendorf            | Date          |
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| A2350 Canales               | Date          | A2665 Dukes                       | Date         | A3045 Guillen               | Date          |
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| A2300 Capelo                | Date          | A2660 Dunnam                      | Date         | A3030 Gutierrez             | Date          |
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| A2490 Casteel               | Date          | A2650 Dutton                      | Date         | A3035 Haggerty              | Date          |
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| A2495 Castro                | Date          | A2770 Edwards                     | Date         | A3050 Hamilton              | Date          |
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| A2585 Chavez                | Date          | A2775 Eiland                      | Date         | A2695 Hamric                | Date          |
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| A2480 Chisum                | Date          | A2780 Eissler                     | Date         | A3160 Hardcastle            | Date          |
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| A2525 Christian             | Date          | A2785 Elkins                      | Date         | A3165 Harper-Brown          | Date          |
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| A2435 Coloman               | Date          | A2790 Filis                       | Date         | A3170 Hartnett              | Date          |

| A3180 Heflin           | Date | A3715 Madden           | Date | A4220 Riddle       | Date         |
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| A3190 Hegar            | Date | A3750 Marchant         | Date | A4250 Ritter       | Date         |
| A3250 Hilderbran       | Date | A2835 Martinez Fischer | Date | A4270 Rodriguez    | Date         |
| А3275 НіП              | Date | A3665 McCall           | Date | A4350 Rose         | Date         |
| A3305 Hochberg         | Date | A3650 McClendon        | Date | A4420 Seaman       | Date         |
| A3290 Hodge            | Date | A3845 McRcynolds       | Date | A4525 Smith, Todd  | Date         |
| A3325 Homer            | Date | A3830 Menendez         | Date | A4540 Smith, Wayne | Date         |
| А3320 Норе             | Date | A3815 Mercer           | Date | A4530 Smithee      | Date         |
| A3330 Hopson           | Date | A3840 Merritt          | Date | A4550 Solis        | Date         |
| A3315 Howard           | Date | A3835 Miller           | Date | A4505 Solomons     | Date         |
| A3340 Hughes           | Date | A3855 Moreno, Joe      | Date | A4560 Stick        | Date         |
| A3355 Hunter           | Date | A3860 Moreno, Paul     | Date | A4570 Swinford     | Date         |
| A3360 Hupp             | Date | A3870 Morrison         | Date | A4585 Talton       | Date         |
| A3375 Isett            | Date | A3865 Mowery           | Date | A4600 Taylor       | Date         |
| A3405 Jones, Delwin    | Date | A3885 Naishtat         | Date | A4605 Telford      | Date         |
| A3420 Jones, Elizabeth | Date | A3895 Nixon            | Date | A4630 Thompson     | Date         |
| A3400 Jones, Jesse     | Date | A3900 Noriega          | Date | A4650 Truitt       | Date         |
| A3475 Keel             | Date | A3880 Oliveira         | Date | A4685 Turner       | Date         |
| A3410 Keffer, Bill     | Date | A3886 Olivo            | Date | A4695 Urcsti       | Date         |
| A3480 Keffer, Jim      | Date | A4100 Paxton           | Date | A4700 Van Arsdalc  | Date         |
| A3470 King             | Date | A4140 Pena             | Date | A4800 Villarreal   | Date         |
| A3495 Kolkhorst        | Date | A4160 Phillips         | Date | A4995 West         | Date         |
| A3485 Krusec           | Date | A4180 Pickett          | Date | A5000 Wilson       | Date         |
| A3450 Kuempel          | Date | A4185 Pitts            | Date | A5020 Wise         | Date         |
| _                      |      |                        |      |                    | <del>_</del> |
| A3510 Laney            | Date | A4200 Puente           | Date | A5015 Wohlgemuth   | Date         |
| A3540 Laubenberg       | Date | A4230 Quintanilla      | Date | A4980 Wolens       | Date         |
| A3605 Lewis            | Date | A4240 Rangel           | Date | A4985 Wong         | Date         |
| A3620 Luna             | Date | A4215 Raymond          | Date | A5005 Woolley      | Date         |
| A3700 Mabry            | Date | A4236 Reyna            | Date | A5150 Zedler       | Date         |

OTHER SENATE ACTION:

## A BILL TO BE ENTITLED AN ACT



relating to the authority of chiropractors to form certain business entities with certain other professionals.

| MAR 1 4 2003       | _ Filed with the Chief Clerk   |  |  |  |  |  |
|--------------------|--|--|--|--|--|--|
| MAR 2 7 2003       | Read first time and referred to Committee on Public Health   |  |  |  |  |  |
|                    | Reportedfavorably (as amended) (as substituted)  |  |  |  |  |  |
|                    | Sent to Committee on (Calendars)  (Local & Consent Calendars)  Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote) (record vote of yeas, nays, present, not voting) |  |  |  |  |  |
|                    |  |  |  |  |  |  |
| <u></u>            | Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of yeas, present, not voting  |  |  |  |  |  |
|                    | Read third time (amended); finally passed (failed to pass) by a (non-record vote)  (record vote of yeas, nays, present, not voting)  |  |  |  |  |  |
|                    | _ Engrossed  |  |  |  |  |  |
|                    | Sent to Senate  CHIEF CLERK OF THE HOUSE   |  |  |  |  |  |
| OTHER HOUSE ACTION |  |  |  |  |  |  |
|                    |  |  |  |  |  |  |
|                    | Received from the House  |  |  |  |  |  |
|                    | Read and referred to Committee on  |  |  |  |  |  |
|                    | Reported favorably   |  |  |  |  |  |
|                    | _ Reported adversely, with favorable Committee Substitute; Committee Substitute read first time  |  |  |  |  |  |
|                    | Ordered not printed  |  |  |  |  |  |
|                    | _ Laid before the Senate   |  |  |  |  |  |
|                    | _ Senate and Constitutional Rules to permit consideration suspended by (unanimous consent) ( yeas, nays)   |  |  |  |  |  |
|                    | Read second time,, and passed to third reading by (unanimous consent) (a viva voce vote) ( yeas, nays)   |  |  |  |  |  |
|                    | Senate and Constitutional 3 Day Rules suspended by a vote of yeas, nays  |  |  |  |  |  |
|                    | Read third time,, and passed by (a viva voce vote) nays)   |  |  |  |  |  |
|                    | Returned to the House  |  |  |  |  |  |

| F | Returned from the Senate                           | (as substituted) (with amendments) |                 |                     |            |
|---|--|------------------------------------|-----------------|---------------------|------------|
|   | House concurred in Senaterecord vote of            |                                    |                 | _ present, not voti | ng)        |
|   | House refused to concur in a (non-record vote) (re |                                    |                 |                     |            |
| I | House conferees appointed                          | d:                                 | , c             | Chair;              | ·          |
|   | Senate granted House req                           | uest. Senate conferee              |                 |                     |            |
|   | Conference committee represented vote of           |                                    | by the House by | a (non-record vote  | <b>)</b> . |
|   | Conference committee represent vote of             |                                    |                 | a (viva voce vote)  | )          |